

REMARKS

Applicants reply to the Office Action mailed on June 2, 2008 within the shortened statutory three month period for reply. Claims 1 and 3-41 were pending in the application and the Examiner rejects claims 1 and 3-41. Support for the amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by these amendments. Reconsideration of this application is respectfully requested.

Applicants thank the Examiner for the courtesies during the Interview on August 14, 2008. The Examiner suggested that we add additional claim elements related to the computer-implemented process for providing a webpage which allows the real-time application of loyalty points to a previously executed charge.

Rejections under 35 U.S.C. § 112

The Examiner rejects claims 1 and 3-41 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Specifically, the Examiner asserts that the claims lack support in the specification for increasing a credit limit due. Applicants respectfully disagree. However, to expedite prosecution, Applicants amend the claims to clarify that the increase is to an available credit. In other words, the overall credit limit (e.g., \$10,000) remains constant, but the available credit (e.g., \$4,000) is increased (e.g., \$4,500) based on the offset/payment received of, e.g., \$500.

The Examiner rejects claims 1 and 3-41 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Specifically, the Examiner points out that there is no antecedent basis for “said loyalty program database.” Applicants amend claims 5, 19, 23, 33, 37, and 38 to clarify that “said loyalty program database” is actually “said loyalty program database **system**” (emphasis added).

The Examiner next asserts that, with respect to the language “wherein said transaction is canceled”, it is unclear what transaction is being referred to because no transaction has been recited. Applicants respectfully disagree and direct the Examiner to the first claim element of each of claims 5, 19, 23, 33, 37, and 38, which similarly recites a “transaction authorization manager configured to receive a payment authorization request related to an available credit for a full purchase amount of a **transaction**” (emphasis added).

Rejections under 35 U.S.C. § 103(a)

The Examiner rejects claims 1, 3-12, 19, 24-28, 33, 34, 35, and 37 under 35 U.S.C. § 103(a) as being unpatentable over Burton et al., U.S. Patent No. 5,025,372, ("Burton") in view of Adams et al., U.S. Patent No. 7,025,674, ("Adams"). Applicants respectfully traverse the rejections.

Burton generally discloses a system for awarding a credit card holder with monetary rewards based on performance. The Burton system enables the card holder to elect to have all or a portion of the monetary awards allocated to a credit card account, which may later be used to facilitate purchases. The card sponsor determines a level of achievement (e.g., employee sales goals) that the card holder must obtain in order to have a specified monetary reward credited to their credit card account. Burton further discloses that at regular intervals (e.g., annually, semiannually, quarterly), the system analyzes the card holder performance over the previous period, determines a number of points to be awarded based on the performance level, determines if any bonus points have been earned, and applies the sum value to the card holder's account. At that point, the card holder may use the awarded point value to facilitate a purchase.

Burton does not disclose a conversion ratio. Burton discloses no specific variance considerations that are used to determine a conversion rate. For example, the Burton employer cannot define rules that state conditions effecting a conversion rate. More significantly, conditionally adjusting the conversion rate during a purchase transaction would not be possible under Burton, because the conversion has already occurred on the currency value loaded to the card of the employee.

Adams generally discloses a system for awarding promotional points through a game such as, for example, a casino game, a video arcade game, and the like. The game includes a display that displays an ongoing balance of promotional points that are earned based on a player's performance. This provides the player with an incentive to play the game and to continue playing the game to accumulate additional promotional points that may be later exchanges for items offered by participating merchants. Adams further discloses that various promotional items may be displayed on the game display along with a point value for each item to further encourage the player to accumulate an adequate balance of promotional points to exchange for a desired item.

The Examiner asserts that Burton may convert award points to monetary value, and such value can be provided as direct cash to the participant. The Examiner also asserts that it is merely a matter of timing about when to credit the account with the points. **However, Applicants assert that it is significant that the presently claimed invention includes the cardmember being authorized with sufficient creditworthiness (e.g., below his credit limit at the time of purchase) when conducting the purchase, the cardmember completing the purchase, then the cardmember requests, via a web interface, that his loyalty points be used to pay the amount due on the charge statement. In response to using the loyalty points to pay for the previously executed transaction, the payment processor then increases the available credit for the cardmember. While Burton may allow the participant to use the cash value at any time, the Burton participant cannot in real time convert the points and apply the cash value to a charge card statement using a web interface in order to offset a previously executed charge and to increase the available credit limit.**

While Burton and Adams each disclose a system for issuing and redeeming loyalty points and Adams discloses converting a point balance to a cash value, neither of the references teach allowing a participant to convert the points and apply the cash value to a charge card statement using a web interface in order to offset a previously executed charge and increase and available credit limit. As such, neither Burton, Adams, nor any combination thereof, disclose or contemplate at least, “applying, by the computer in real time, said currency value as a credit to a financial account of said participant, wherein said financial account is stored on a second database system” and “offsetting, by the computer in real time and over a web interface, a previously executed charge with said currency value,” as similarly recited by independent claims 1, 5, 19, 24, and 33.

Claims 3, 4, 6-12, 25-28, 34, and 35 variously depend from independent claims 1, 5, 19, 24, and 33. Applicants assert that dependent claims 3, 4, 6-12, 25-28, 34, and 35 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.

The Examiner next rejects claim 13-18, 20-23, 29-32, 36, and 38-41 under 35 U.S.C. § 103(a) as being unpatentable over Burton in view of Storey, U.S. Patent No. 5,774,870 and in further view of Adams. Applicants respectfully traverse the rejection.

Storey generally discloses an online frequency reward program, where a user may shop catalogs online for products to purchase through the redemption of loyalty points. Storey further facilitates management of the loyalty account, electronically placing an award redeeming order with a fulfillment house, and updating the user's award account. As in Burton and Adams, user's of the Storey system are not able convert the points and apply the cash value to a charge card statement using a web interface in order to offset a previously executed charge and increase and available credit limit. As such, neither Burton, Storey, Adams, nor any combination thereof disclose or suggest at least, "applying, by the computer in real time, said currency value as a credit to a financial account of said participant, wherein said financial account is stored on a second database system" and "offsetting, by the computer in real time and over a web interface, a previously executed charge with said currency value," as similarly recited by independent claims 23 and 38.

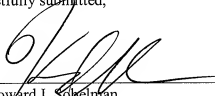
Claims 13-18, 20-22, 29-32, 36, and 39-41 variously depend from independent claims 5, 19, 24, 33, and 38. Applicants assert that dependent claims 13-18, 20-22, 29-32, 36, and 39-41 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. **19-2814**. If an extension of time is necessary, please accept this as a petition therefore. Applicants invite the Office to telephone the undersigned if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,

Dated: August 15, 2008

By: _____


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